

Richard T. Seymour

From: Richard T. Seymour [rick@rickseymourlaw.net]
Sent: Friday, May 30, 2008 3:42 PM
To: 'Fonstein, Cliff H.'; 'Seltzer, Joanne'; Allison E. Maue (amaue@Sidley.com)
Cc: 'Rogin, Jonathan'; 'Jullion Taylor'
Subject: Graves: The Complaint

Cliff, this is to confirm the commitments I just made in our call.

First, we are committing to review the allegations of the Complaint in light of the dropping of the backdating allegation, to determine whether further changes should be made in light of that change.

Second, we are committing to review all of the allegations in light of the very small amounts of discovery produced by defendant.

Third, I expect that there will be some changes, but cannot characterize today what those changes will be.

Finally, we expect to finish these reviews and file a motion for leave to file a revised Complaint next week.

We insist on carrying out these commitments in a professionally responsible manner, and will not respond to your ultimatum that we tell you this afternoon what we will do.

The defendant could have made this entire process far quicker and far more definitive by honoring its discovery obligations. Instead, it has protracted this process by ignoring its obligations. You have said that you are frustrated with us, and I have said that we are frustrated with the company.

Putting that behind, you have fair commitments from us, and a short time frame for their fulfillment. You and the company will decide whether to file your Rule 11 motion today, and I say again that I do not understand the ultimatum.

I do recognize that you said in our call that the company would probably withdraw the Rule 11 motion if our amendment next week drops the allegations of a false filing. It seems to me that that puts the cart before the horse, but the company will do whatever the company will do.

Rick

Richard T. Seymour
Law Office of Richard T. Seymour, P.L.L.C.
1150 Connecticut Avenue N.W.
Suite 900
Washington, D.C. 20036-4129
Voice: 202-862-4320
Cell: 202-549-1454
Facsimile: 800-805-1065
e-mail: rick@rickseymourlaw.net
Web Site: www.rickseymourlaw.com

"We represent the dispossessed of the Earth, and executives recently shown the door."

Mediation

Arbitration: Listed on American Arbitration Association Commercial Arbitration Roster and Employment Panel Roster.

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